

Senate File 2167 - Introduced

SENATE FILE 2167

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A BILL FOR

1 An Act relating to commercial and industrial property
2 tax replacement payments and including effective date
3 provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 2.48, subsection 3, paragraph f, Code
2 2022, is amended by adding the following new subparagraph:

3 NEW SUBPARAGRAPH. (6) Commercial and industrial property
4 tax replacement payments under section 441.21A.

5 Sec. 2. Section 441.21A, subsection 1, paragraph a, Code
6 2022, is amended to read as follows:

7 a. For each fiscal year beginning on or after July 1, 2014,
8 ~~but before July 1, 2029,~~ there is appropriated from the general
9 fund of the state to the department of revenue an amount
10 necessary for the payment of all commercial and industrial
11 property tax replacement claims under this section for the
12 fiscal year. However, for the a fiscal years year beginning
13 on or after July 1, 2017, ~~July 1, 2018, July 1, 2019, July 1,~~
14 ~~2020, and July 1, 2021,~~ the total amount of moneys appropriated
15 from the general fund of the state to the department of revenue
16 for the payment of commercial and industrial property tax
17 replacement claims in ~~each~~ that fiscal year shall not exceed
18 the total amount of money necessary to pay all commercial and
19 industrial property tax replacement claims for the fiscal year
20 beginning July 1, 2016.

21 Sec. 3. Section 441.21A, subsections 2 and 3, Code 2022, are
22 amended to read as follows:

23 2. ~~a. For each~~ Beginning with the fiscal year beginning
24 ~~on or after July 1, 2014, but before July 1, 2022,~~ each county
25 treasurer shall be paid by the department of revenue an
26 amount equal to the amount of the commercial and industrial
27 property tax replacement claims in the county, as calculated
28 in subsection 4. If an amount appropriated for the a fiscal
29 ~~year beginning on July 1, 2017, July 1, 2018, July 1, 2019,~~
30 ~~July 1, 2020, or July 1, 2021,~~ is insufficient to pay all
31 replacement claims ~~for the fiscal year,~~ the director of revenue
32 shall prorate the payment of replacement claims to the county
33 treasurers and shall notify the county auditors of the pro rata
34 percentage on or before September 30.

35 ~~b. For each fiscal year beginning on or after July 1, 2022,~~

1 ~~but before July 1, 2029, each county treasurer shall be paid~~
2 ~~by the department of revenue an amount equal to the sum of the~~
3 ~~commercial and industrial property tax replacement claims for~~
4 ~~all taxing authorities, or portion thereof, located in the~~
5 ~~county, as calculated in [subsection 5](#). The county treasurer~~
6 ~~shall pay to each taxing authority the taxing authority's~~
7 ~~commercial and industrial property tax replacement claim, or~~
8 ~~portion thereof, as calculated in [subsection 5](#).~~

9 3. ~~a.~~ On or before July 1 of each fiscal year beginning on
10 or after July 1, 2014, ~~but before July 1, 2022,~~ the assessor
11 shall report to the county auditor the total actual value of
12 all commercial property and industrial property in the county
13 that is subject to assessment and taxation for the assessment
14 year used to calculate the taxes due and payable in that fiscal
15 year.

16 ~~b.~~ On or before July 1, 2022, the department of management
17 shall calculate and report to the department of revenue for
18 each taxing authority in this state that is a city or a county
19 all of the following:

20 ~~(1) The total assessed value as of January 1, 2012, of~~
21 ~~all taxable property located in the taxing authority that is~~
22 ~~subject to assessment and taxation used to calculate taxes~~
23 ~~which are due and payable in the fiscal year beginning July 1,~~
24 ~~2013, excluding property subject to the statewide property tax~~
25 ~~imposed under [section 437A.18](#) or [437B.14](#).~~

26 ~~(2) The total assessed value as of January 1, 2019, of~~
27 ~~all taxable property located in the taxing authority that is~~
28 ~~subject to assessment and taxation used to calculate taxes~~
29 ~~which are due and payable in the fiscal year beginning July 1,~~
30 ~~2020, excluding property subject to the statewide property tax~~
31 ~~imposed under [section 437A.18](#) or [437B.14](#).~~

32 Sec. 4. Section 441.21A, subsection 4, unnumbered paragraph
33 1, Code 2022, is amended to read as follows:

34 On or before a date established by rule of the department
35 of revenue of each fiscal year beginning on or after July

1 1, 2014, ~~but before July 1, 2022,~~ the county auditor shall
2 prepare a statement, based upon the report received pursuant to
3 subsection 3, ~~paragraph "a",~~ listing for each taxing district
4 in the county:

5 Sec. 5. Section 441.21A, subsection 5, Code 2022, is amended
6 by striking the subsection.

7 Sec. 6. Section 441.21A, subsection 6, Code 2022, is amended
8 to read as follows:

9 6. For purposes of computing replacement amounts under
10 this section ~~for fiscal years beginning on or after July 1,~~
11 ~~2014, but before July 1, 2022,~~ that portion of an urban renewal
12 area defined as the sum of the assessed valuations defined in
13 section 403.19, subsections 1 and 2, shall be considered a
14 taxing district.

15 Sec. 7. Section 441.21A, subsection 7, paragraph a, Code
16 2022, is amended to read as follows:

17 ~~a. For fiscal years beginning on or after July 1, 2014,~~
18 ~~but before July 1, 2022,~~ the The county auditor shall certify
19 and forward one copy of the statement to the department of
20 revenue not later than a date of each year established by the
21 department of revenue by rule.

22 Sec. 8. Section 441.21A, subsection 7, paragraph f, Code
23 2022, is amended by striking the paragraph.

24 Sec. 9. Section 441.21A, subsections 8 and 9, Code 2022, are
25 amended by striking the subsections.

26 Sec. 10. REPEAL. 2021 Iowa Acts, chapter 177, sections 110,
27 111, 120, 122, and 123, are repealed.

28 Sec. 11. EFFECTIVE DATE. This Act, being deemed of
29 immediate importance, takes effect upon enactment.

30 EXPLANATION

31 The inclusion of this explanation does not constitute agreement with
32 the explanation's substance by the members of the general assembly.

33 Iowa Code section 441.21A establishes and appropriates
34 amounts for commercial and industrial property tax replacement
35 claims. 2021 Acts, chapter 177, eliminated the appropriation

1 for the replacement payments for fiscal years beginning
2 on or after July 1, 2029, and modified the methodology for
3 calculating and apportioning commercial and industrial property
4 tax replacement claims for fiscal years beginning on or after
5 July 1, 2022, but before July 1, 2029. Changes to Code section
6 441.21A, enacted in 2021 Acts, chapter 177, required such
7 claims to be calculated based on taxing authorities instead
8 of taxing districts and required each taxing authority's
9 replacement claim to be determined based on specified fractions
10 of the amount received by the taxing authority under Iowa Code
11 section 441.21A for the fiscal year beginning July 1, 2021, and
12 whether the taxing authority is a qualified taxing authority.

13 This bill amends Code section 441.21A and 2021 Acts, chapter
14 177, to modify the commercial and industrial property tax
15 replacement claims and payments to operate in the manner the
16 claims and payments operated prior to enactment of 2021 Acts,
17 chapter 177, by calculating commercial and industrial property
18 tax replacement based on the difference between the actual
19 value and assessed value of all commercial and industrial
20 property in each taxing district in the state.

21 The bill takes effect upon enactment.